

Verina O'Connell Clean-Pro Systems



Cleaning Evolution
Labour vs Technology



Advancing the culture of clean



Who am I?

Managing Director for Clean-Pro Systems and the Technical Director for Staza Cleaning Services. I have a true passion for the Soft Services Industry which led to me starting my business “Clean-Pro Systems” in 2016 after working in Senior Management positions for many years within the corporates.

I have been in the industry over 20 years’ from Cleaning, Hygiene, Pest Control, Gardening, Catering, Waste Management and products which led to my ability to the designing and implementation of Project Managing for Insourced Services. I am one of the first to successfully pilot project management of major insourced services comprising of Bill of Quantities, Norms and Standards, Staff Management and Training to only mention a few projects.

I am also an accredited Professional Body of Environmental Hygiene trainer and with my “Advancing the Culture of Clean” approach I am driven to achieve the best possible results at every site.



Advancing the culture of clean



Agenda – Labour vs. Technology

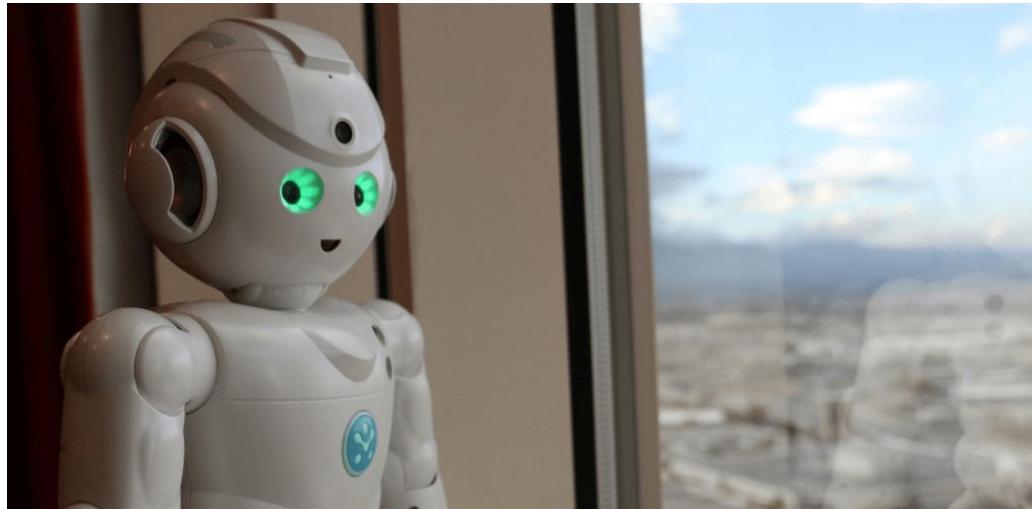
- Artificial Intelligence
- Technology and Green Cleaning
- Labour and involvements
- Labour, Education and Future Workforce
- Insourced vs. Outsourced
- Economy and Finance
- Where to from here

Artificial Intelligence



The International Federation of Robotics reports that the U.S. service robot industry, which includes both industrial and domestic sectors, is a \$5.2 billion market. It also estimates that home robots or domestic robots will contribute \$11 billion in revenue by 2020.

We have Sweepers, Robots, AI Toilets



It features a built-in music system, ambient lighting, touchscreen remote, motion-activated lid and seat, retracting bidet, air dryer, air deodorizer, heated seat, floor vents to keep your feet warm and customizable options that can be set for every member of your household. AND it cleans itself, completely touch-free. Google is currently working on a smart seat that can take your blood pressure and monitor your heart rate.



Technology

Difference between business and domestic use

Technology in the Cleaning Market has become so diverse and offers an enormous product range with many different alternatives to upgrade or make changes to current equipment.

One machine now can do a variation of functions.

Ironing Machines, window cleaners, dishwasher, washing machines, Vacuums, ride-on



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Green Cleaning

There were two significant factors that affected the contract cleaning market in South Africa in 2015 and 2016, the first of which was demand for a more environmentally-friendly approach to cleaning. This not only encompasses cleaning products, but also equipment that can reduce water usage. As part of this trend, more contract cleaners are also being asked to provide sustainability reports for their larger clients with contractors having to show the ways in which they are taking steps to address environmental concerns.

- Green Chemicals and equipment
- Green Machines and energy saving
- Green Cleaning Processes with water saving
- Do the Smaller Companies have the capabilities to implement and comply?



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Labour intensive



No matter what equipment or technology you have the need for human intervention and action is still always required. Considering the different industries and needs of every building the labour factor will not be going anywhere anytime soon. As we are a second world country we need to endeavour to keep our people employed.

But employment through labour or employment through technology?

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Labour

A second and equally important factor was the amendment of the Broad Based Black Economic Empowerment (BBBEE) Act and codes from 1 May 2015, which meant institutions had to demonstrate higher compliance, either level 1 (100% black ownership) or level 2 (51% black ownership) and now in 2019 a greater emphasis on the youth. This is in order to win a government contract or any contracts when seeking to do business with government organisations.

- Exploring the challenges of Contract Cleaning Companies doing business with government departments is enormous?
- What will these Contract Cleaning Companies face in 2020 and beyond?
- Where will the profits come from to upskill their labour force and to be more techno savvy?



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Labour and Education

- Unemployment rate of 27.6% Q1 2019?
- What about foreigners that come to seek employment here?
- Fee-Free tertiary education of expected R38bn 2020/2021.
- What is the effect education will have on the Labour Force?
- Minimum wages will have to change drastically.
- Can we utilize these people somewhere else with the industry changing as much?



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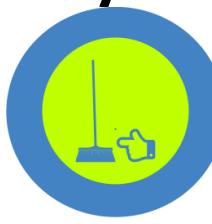
Insourced vs Outsourced



There are approximately 1,750 contract cleaning companies countrywide, of which 400 are members of the National Contract Cleaners Association (NCCA). A few of the larger companies employ between 18,000 and 20,000 cleaners. Many medium-sized companies employ around 1,000 cleaners. However, around 70% of the cleaning industry is comprised of small and micro enterprises, employing fewer than 50 cleaners. In terms of distributors, some of the leaders are Bidvest Prestige Cleaning and Supercare, which account for an estimated combined 20% market share.

So end users are going insourced or full facilities soft services now.

Can you go Insourced Services?



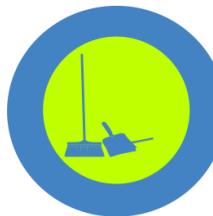
Optimising Outsourced Facilities

ANALYSIS	Analysis of Management Supporting and Training Needs
DESIGN	Facilities Script
IMPLEMENTATION	Rollout & Field Support Comprehensive Training in English, Afrikaans, Zulu and Sotho, covering Technical and soft skills for Cleaners, Team Leaders, Supervisors and Management



Optimising Insourced Facilities

ANALYSIS	Facilities services General & Specialised
DESIGN	Tender Document for Facilities (General Windows)
IMPLEMENTATION	Selection Support Negotiation Support Contract Set-up



Facilities Programmes

ANALYSIS	Facilities Needs Analysis
DESIGN	Results-oriented programme(s)
IMPLEMENTATION	Tools Reporting Technical Advisory



Cost and Time Calculation

ANALYSIS	Building/Space Inventory Financial Analysis Benchmarking Results-oriented programme(s) Calculation Model
DESIGN	Model for Time and Cost Control



Quality

ANALYSIS	Quality Audit Norms & Standards
DESIGN	SLA's and KPI's Normalised Methodology
IMPLEMENTATION	Management Reporting



Cleaning Economy

Bidvest Prestige accounts for approximately 12% of the industry achieved in 2016

- Employment of approximately 48,000 employees at a revenue of R2.8Bil pa with 5.2%incr y on y.
- Thus an approximate Industry in 2019 of R27Bil for cleaning labour only in the business sector excl domestic households.
- Consumables of approximately R3Bil pa and this is only what the cleaner themselves would use.
- You still have Hygiene and Paper usage and that industry is enormous.
- Equipment of approximately R500Mil pa – but this is on imported products as no local manufacturers.
- South Africa's skills ability to manufacture - The financial ability to manufacture – Are government grants available?
- And then don't forget about the Domestic Cleaning Market? A CT Company "Sweep-South" has a revenue of over R100Mil (Uber type cleaning service) just after 5 years of operation.
- So what is the real effect all of this will have on the economy and who has the capital to fund all of these changes?

Unaudited results for the half-year ended 31 December 2016
[\(<https://www.bidvestprestige.co.za/wp-content/uploads/sites/265/2018/11/Bidvest-Group-booklet.pdf>\)](https://www.bidvestprestige.co.za/wp-content/uploads/sites/265/2018/11/Bidvest-Group-booklet.pdf)



Where to from here

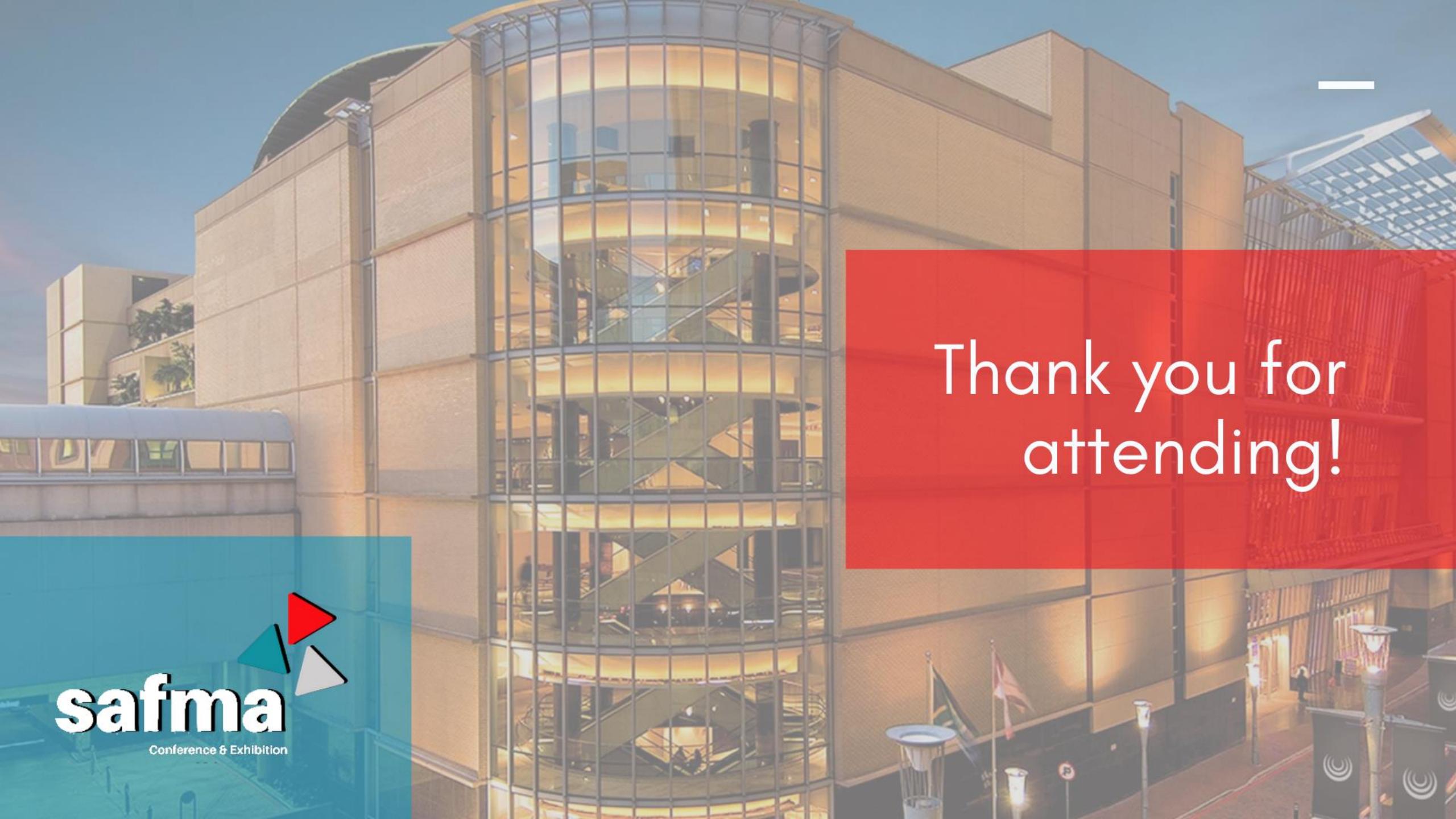
The first question is are we ready for this rapidly changing industry and do we know what to expect and how are we going to use the skills and finances?

Will it be business as usual or will the way we do business change, will tenders change and the way they are structured?

We cannot allow ourselves to be part of the catching up team but rather be part of the innovators. We need to change now and not wait before it's too late.

I don't have the answers but the end result is this is an industry that has an enormous amount of opportunity and risk all at the same time. The future of this industry is in the hands of the new technology and the youth. We need to invest and promote the new ways of doing things and this way we will keep people employed and the economy growing.





Thank you for
attending!



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